

BRANCH BANK FIGHT UP FOR SETTLEMENT

Both Sides Work Hard Before Vote in Convention To-day.

ANTIS IN MAJORITY

Frame of Waukesha and Newcomer of Baltimore Lead Debaters.

RESOLUTION TO COME UP

Frew, Head of Corn Exchange Bank, Tells of His Conversion to Branch Plan.

The fight against branch banking, started last Sunday by a group of out of town bankers here to attend the American Bankers Convention, will come to a head to-day at the general session of the convention. Officers of the American Bankers Association have been bombarded by thousands of letters opposing branch banking from bankers all over the country who found it impossible to come to the convention.

At 11:35 this morning a debate will be held on the floor of the convention between Andrew J. Frame, against branch banks, and Waldo Newcomer, for branches. Mr. Frame is chairman of the board of the Waukesha National Bank, Waukesha, Wis., and Mr. Newcomer is president of the National Exchange Bank of Baltimore. The question to be debated is "Shall national banks be prevented from establishing branches within their home cities, where the privilege is exercised by State banks?"

The principal speakers will be limited to fifteen minutes and other speakers to five minutes each. Immediately after the conclusion of the debate a resolution placing the convention on record as opposed to branch banking, both in fact and principle, will be introduced and forced to a vote despite the fact that the scheduled program provides for no such resolution or vote.

Branch Men Win Skirmish.

The insistence of the anti-branch bankers, who are in the majority, brought about the decision to alter the schedule program and permit a vote upon the proposed resolution. Leaders of the anti-branch bankers are confident that they can get the convention to take a vote on the question. The resolution will be offered by Samuel R. Jeffries of the National City Bank of St. Louis and seconded by Walter J. Braunschweiger of the Olean Trust Company of Olean, N. Y.

"Resolved, by the American Bankers Association, that we view with alarm the establishment of branch banking in the United States and the attempt to permit and legalize branch banking; that we hereby express our disapproval of any opposition to branch banking in any form in our nation."

"Resolved, that we regard branch banking or the establishment of additional offices by banks as detrimental to the best interests of the people of the United States. Branch banking is contrary to public policy and violates the basic principle of our government as it concentrates the credits of the nation and the power of money in the hands of few."

Speakers who will condemn branch banking will include also Mr. Jeffries, Mr. Braunschweiger, Roy O. West, Nathan M. Prince, A. F. Dawson, Frank T. Hodgson and William J. Couse. These have been scheduled to speak by the steering committee in charge of the resolution. A final conference of the steering committee will be held just before the convention session to-day to perfect speaking arrangements.

Branch Advocates Are Quiet.

So far little has been said by the faction in favor of branch banks, but this does not mean that the resolution will meet with no opposition, according to a banker in the branch bank camp. He stated emphatically that large numbers of branch bank supporters will rally around their leaders to-day and that a lively fight can be expected.

Walter E. Frew, president of the Corn Exchange Bank, issued a warning to bankers who are opposing branch banks to study the system properly before becoming too critical of it. He said in a few years they may become its warmest advocates. Mr. Frew says: "I must confess I was not surprised to read in Sunday's paper about a proposed meeting of bankers to protest against national banks having the right to establish branches, as I well remember in the spring of 1899 I entertained similar views when that grand old banker, the late William A. Nash, started to establish branches of the Corn Exchange Bank, of which he was president, under a new amendment to the banking laws of the State of New York. Part of my personal experience might serve as a practical answer to some of the theoretical criticisms the branch system is now receiving."

"I was then president of a bank in Long Island City, which to my mind was only equaled by the Bank of England, and I resented the right of a great New York bank to come into my territory and compete with me, which from my then point of view meant the elimination of my bank. I was, therefore, bitterly opposed to such a system which could do such a great wrong."

Gets a Surprise From Nash.

"You can imagine my surprise when I was invited by Mr. Nash to become vice-president of this great enterprise which was to drive every small bank out of its legitimate field. After my talk with the head of this supposed octopus I had a different idea of the whole proposition, but I still had my doubts of its ultimate success, and it required quite a little negotiation before I accepted his proposition to absorb my bank and myself."

"I must confess at that time I was not big enough to see the advantages and possibilities of such an amalgamation. The first two or three years were very difficult years of organization and development, and we realized we had a lot to learn, so I started for Europe to learn how to properly operate branch banks. I was received by the English, Scotch and French bankers most courteously, and they gave me full information about their respective systems, and from that information we devised the system under which we have successfully operated."

"Branch banking is like any other kind of banking. It depends on how it is managed. Speculative banking always has a disastrous ending wherever it exists, but branch banking managed in a conservative way is now, in my opinion, the best system of banking that can be devised. This opinion has been formed from my twenty-three years' experience in that class of banking."

"The Corn Exchange Bank had about \$10,000,000 on deposit and was just about earning its dividends when it entered the branch banking field in 1899. Its development is a matter of history and I might say enthusiastically satisfactory to its stockholders, but it is unnecessary to elaborate on it and mention it only to illustrate that branch banking, conservatively operated, can do for a bank. I wish to say, however, that its record shows no branch of this bank has been established where it has in any way injured a competitor."

Bank Put in Only if Needed.

"Whenever a branch of our bank has been located where there was an existing local bank it was permitted only after careful investigation by the Banking Department as to the need of another bank in that community. When ever such a condition existed you will find in each case the then existing local bank has to-day increased deposits equal to the total of our branch operating in that locality."

"Otherwise I contend a branch of our bank in that locality made a banking center and not only stimulated business for itself but benefited its competitor."

"Another fact which seems to prove the advantages of such a system to the public is that in many parts of our country there was not sufficient available capital for the organization of an independent bank, and in many such cases we established our branches in these localities and the communities developed much more rapidly than they would have otherwise."

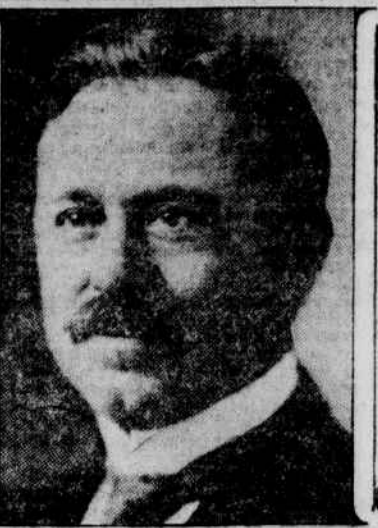
"A fact which shows its popularity is that our accounts in 1899 numbered 2,500, and to-day they amount to 135,000 and are constantly increasing. This great army of depositors testifies as to whether branch banking is desirable. All the old countries of Europe and Canada on the north testify to the advantages of branch banking."

"I believe the laws governing branch

Bankers Taking Prominent Part in Convention



FRANCIS H. SISSON
VICE-PRESIDENT, GUARANTY
TRUST COMPANY OF NEW YORK



LEWIS L. CLARKE,
PRESIDENT, THE AMERICAN
EXCHANGE NATIONAL BANK, N.Y.C.



EDWARD C. DELAFIELD,
PRESIDENT, THE BANK OF AMERICA,
CHAIRMAN, BALL COMMITTEE, A.B.A.

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banking should be just as restrictive as those governing any other class of banking, to prevent rogues or speculators operating with other people's money, but they must be sensible laws, constructive but not so restrictive as to prevent development. I must say I sympathize with the efforts of the national banks to persuade Congress to amend the national banking act so they can establish branches with the view of securing deposits to take the place of those lost through the operations of the Federal Reserve system in one of its principal objectives to decentralize reserves, which, judging by results in this city, seems to have been eminently successful."

He Favors Conversion.

"Conversions into State institutions seems to be the procedure they should adopt, but no doubt other reasons prevent the adoption of such a course. Congress, therefore, should give them power to establish branches wherever they are willing to risk their capital, but under proper supervision and restrictions by the Controller of the Currency and the Banking Department of their respective States, so that the development of the system can be along only conservative lines."

"Branch banking has come to stay. It will gradually develop until it will be recognized as the only proper system of banking for all classes of our people. I therefore say to those gentlemen, study the system, investigate its operation, both here and abroad before becoming too critical of a system of which, in a few years, they may become warmest advocates. Otherwise, profit by my experience."

SAVINGS BANK DIVISION COMMITTEES REPORT

Groups Explain Stand Taken on Certain Laws.

Reports of committees submitted to the savings bank division of the American Bankers Association yesterday dealt with such topics as Federal and State legislation, facilities and services, mortgage loans and liquid investments. The opposition of bankers to the exemption from taxation of dividends and interest derived from domestic building and loan associations was explained in the report of Charles J. Leppie of Cincinnati as chairman of the committee on Federal legislation. He stated that the bankers have no quarrel with the building and loan associations as such, but contend that it is beyond the province of a government to select one class for exemption and deny it to others.

NO STAMPS REQUIRED ON BANKERS' LETTERS

Special 'Metered Mail' Sends Them at Record Speed.

Among many services provided for delegates to the bankers' convention is time "Metered Mail" for outgoing letters. No postage stamps are required. The mail is collected half hourly throughout the day and run through a postage meter machine which stamps, cancels and postmarks letters at the rate of 250 a minute. They then are taken immediately to the post office and routed out on trains.

This special "metered mail" service expedites receipt of the convention mail from one to twenty-four hours over ordinary stamped mail dropped in a collection box. It is the system recently adopted by leading banks and other institutions throughout the country. The letters bear no adhesive postage stamps, but an imprint which is a combination of a postage stamp, cancellation and postmark.

WAINWRIGHT WON'T RESIGN.

Special Dispatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., Oct. 3.

Col. J. Mayhew Wainwright, Assistant Secretary of War, to-day reported that he would resign to conduct his campaign for Congress from the Twenty-fifth New York district.

DOUGHBOYS' WINE BILL IS 25,000,000 MARKS

U. S. Forces on Rhine Drink 151,000 Bottles in Year.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD.

New York Herald Bureau, Berlin, Oct. 3.

Like a careful bartender with an all night crowd in his place, Germany today has cautiously figured up the wine bill of the army of occupation in the Rhine. But, unlike a bartender, Germany could not tell the boys to pay up or get out under threat of calling the police. Her only course is to keep on serving something over 150,000,000 marks worth of wine every twelve months until the customers are ready to go.

American members of the army of occupation got a share of the consumption from April, 1921, to March of this year, and drank about 131,000 bottles of wine and 20,000 bottles of German champagne, for which they have a wine check totaling more than 26,000,000 marks, to say nothing of incidentals like beer and stronger liquors.

The Government, which has checked up the stamps on all liquor drunk in the area of occupation, is able to tell to a quart how much was consumed as the free wine tax and bills of the armies come back to the Treasury.

The report for the fiscal year shows that 90,000 men in the Rhine drank 118,760,480 marks worth of still wines and 124,733 bottles of champagne, costing about 27,000,000 marks. The French army did not consume so much of this on account of its wine rations, and the British and Belgians have their own canteens.

As a result the Germans hold that 15,000 American soldiers were responsible for the consumption of more than one-sixth of this sea of wine. The report says that quenching the thirst of the armies of occupation cost the Government 26,000,000 marks in taxes. The consumption of beer being lighter, the Treasury lost only 90,000 marks in taxes. The unpaid cigarette taxes amounted to 2,000,000 marks.

FIRST HUNT SEASON DEATH.

UTICA, Oct. 3.—The first fatality of the hunting season in the central Adirondacks was reported today. Agostia Cecilia of Utica was accidentally shot and instantly killed by his cousin, Geno Cecilia, at Childwood, near Tupper Lake, while the latter was cleaning his rifle in preparation for a hunting trip.

BANKERS AND SERIES FANS CROWD HOTELS

Arrivals Without Reservations Forced to Go to Smaller Hostelrys Uptown.

New York's hotels are filled to capacity with bankers here for the convention at the Hotel Commodore, and baseball fans from all over the country, here for the world series beginning at the Polo Grounds to-day.

All hotels around Pershing Square have been taken over by the bankers. The lobby of the Commodore is crowded with bankers and baseball devotees. From the mezzanine it looks like a stock exchange. The lower floors and the ballroom are occupied by the American Bankers' Association. Commissioners Landis and the baseball writers from all over the country have established their headquarters upstairs. The Yank headquarters also are at the Commodore.

The Giants are at the Waldorf-Astoria, also "full up" with eager fans. There and at the McAlpin, the managers have put cots in every available space. The private dining and reception rooms have been converted into dormitories. Arrivals who have not booked rooms ahead of time are being sent to the smaller hotels.

Bankers continue to arrive at Hotel Pennsylvania, where 300 are registered. Among recent arrivals is A. D. White, president of the Rome Trust Company, Rome, N. Y., one of the youngest bank presidents in America.

The Vanderbilt Hotel announced that every room had been taken by those attending the bankers' convention.

Many bankers are at the Ritz Carlton, the Biltmore and the Belmont. The Association of Bank Women gave a luncheon in the Hotel Plaza yesterday.

The Hotel Association has established a clearing house for rooms.

Hundreds of bankers, of whom there are now 11,000 here, have asked for seats to the world series. The general demand for tickets, both Yankee and Giant officials said, is greater than in previous years.

There are still upper grandstand and bleacher seats available, to be sold at the grounds to-day. The long line began to form late last night.

SLAMMING DOOR KILLS BOY.

His Hand Goes Through Glass; Splinter Pierces His Heart.

LOS ANGELES, Oct. 3.—James Thomas, 14, a student at Inglewood High School, trying to prevent a door from slamming, thrust his hand through the glass panel and a splinter of glass pierced his heart.

As if nothing had happened, he walked calmly down the steps of the building. Then he collapsed and death came quickly.

PERSIAN AND CHINESE RUGS

Big variety to choose from. All rugs are Guaranteed for wear and quality. Compare before buying.

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1060 Lexington Av., Bet. 75-76 Sts.—Flight Up.

MAHALS (fine weave) 9x12 \$185 Value \$325

Araks 9x12 \$225 Value \$400

Dozars 7x5 \$58 Value \$90

Mousouls (Hamadan) 7x4.7 \$38 Value \$65

Shiraz 9.8x6.9 \$75 Value \$140

Kermanshah's (extra fine) \$475 Value \$850

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